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Work of the Expert Group on national accounts

Note by the Steering Group on national accounts

Summary

In view of the importance of the issues discussed by the Group of Experts on national accounts, organized jointly by UNECE, Eurostat and OECD, and to ensure the continuity of work, the Bureau of the Conference of European Statisticians supported a resource neutral change in the intergovernmental structure of the Conference by converting the Group from an "ad-hoc" meeting into a standing body. The CES Bureau reviewed and approved the draft terms of reference for the proposed standing body prepared by the Secretariat and the Steering Group on national accounts in February 2018 (presented in Annex I). The Conference is invited to approve the terms of reference.

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I. Introduction

1. The Group of Experts on National Accounts, jointly organized by UNECE, Eurostat and OECD, is a well-established forum, where member countries of the Conference of European Statisticians (CES) can exchange experiences and best practices in the implementation of the System of National Accounts (SNA) and the measurement of global production. The work of the Joint Group of Experts will also support linking the SNA and Sustainable Development Goals (SDGs) to complement the work on implementing the *CES Road Map on Statistics for SDGs*.

2. The SNA framework is essential for compiling structured and coherent economic statistics that facilitate analysis of the economic development and enable evidence-based decision-making. National accounts statistics are also critical for producing many of the proposed SDG indicators, especially under Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), Goal 9 (Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) and 10 (Reduce inequality within and among countries). Altogether more than SDG 30 indicators, spanning 11 Goals, are related to national accounts data.

3. National accounts have always been one of the important areas of work of the CES. Over the years, the UNECE working groups on national accounts have contributed to the comparisons and harmonization of the national accounting systems in member countries and assisted the former centrally planned economies to move to the 1993 SNA. Today, the Expert Group on National Accounts, jointly organized by UNECE, Eurostat and OECD, facilitates the implementation of the 2008 SNA in CES member countries by sharing experiences and identifying emerging issues that need to be addressed. The Group has also launched work in new areas related to SNA, like measuring the global production arrangements and human capital.

II. Historical background

4. In 1959, a Group of Rapporteurs began developing a programme for comparisons between the System of National Accounts used in Europe at that time – the 1953 SNA – and the Material Product System (MPS) applied by the centrally planned economies. Based on the report of the rapporteurs, in 1963 CES established the UNECE Working Group on National Accounts and Balances as a standing body, dealing with the harmonization of the national accounts frameworks used in the UNECE region. In the following years, the Working Group held regular meetings. One of its major outputs was a transition key to convert data compiled according to MPS into the SNA framework.

5. In early 1990s, CES decided that the primary objective of UNECE work on National Accounts should be the development of cooperative projects on the introduction of SNA in the countries using MPS. In line with this, the UNECE Working Group on National Accounts and Balances was discontinued and replaced by meetings organized on "ad-hoc" basis together with OECD. Later, Eurostat joined as co-organizer. In the late 1990s, these meetings were suspended, thus excluding a large part of the East European and CIS countries from international fora where they could meet with other UNECE countries' experts and learn from the more advanced statistical offices.

6. In 2000, the CES Bureau re-established the Joint UNECE/Eurostat/OECD meeting with the name 'Group of Experts on National Accounts' and decided that it will be held every 2 years. The purpose was to have a forum where all CES member countries could advance the implementation of SNA by sharing best practice and learning from each other.

Still, in the United Nations administrative system the Expert Group remained with the status of an "ad-hoc" meeting.

7. The Joint Group of Experts played an important role in the 2008 update of the SNA. Following the request of the 40th United Nations Statistical Commission in 2009 it also contributed to the development of the regional recommendations for the implementation of the 2008 SNA in the countries of Eastern Europe, Caucasus and Central Asia (EECCA) and South East Europe (SEE).

8. The active involvement of Eurostat and OECD increased the number of participating countries and broadened the variety of methodological issues addressed at the meetings of the Group. In 2014, CES asked the Joint Group of Experts to provide a forum where countries could exchange experiences on data collection and compilation methods related to global production arrangements, and follow up on the implementation of the CES *Guide to Measuring Global Production* (2015) (ECE/CES/87, para 59).

9. In 2009, to ensure better coordination of work and avoid overlap, the CES Bureau established a Steering Group on national accounts to guide the work of the Joint Group of Experts (ECE/CES/BUR/2015/FEB/7/Add.1). The Steering Group includes leading experts from countries representing the different sub-regions of UNECE and from the main international organizations active in the region.

III. Rationale for the proposed action

10. The Joint Group of Experts on National Accounts is a well-established forum for 17 years now, where all CES member countries can exchange experiences and best practices on the implementation of the 2008 SNA. Since 2000 it has held regular biennial meetings. In 2014, following the CES decision (referred to in paragraph 8 above), the meetings became annual by alternating the focus between national accounts and global production. These joint meetings contribute to the SNA research agenda and advance the methodological development in important areas such as measuring global production and human capital. They attract a large number of participants, also beyond the CES region, and thus allow identified recommendations and good practices to be shared widely.

11. Notwithstanding the above, as the Joint Group of Experts continued to be defined as an "ad-hoc" meeting in the United Nations administrative system, it does not qualify for regular conference services in terms of availability of rooms, translation of documents and interpretation during meetings into the UNECE working languages (English, French and Russian). This increasingly is having a negative impact on the work of the Group.

12. In addition, 'ad-hoc' meetings are usually convened to resolve concrete short-term issues and once the task is completed, the Groups are dissolved. However, the work on National Accounts is not restricted or limited to specific short-term issues or to a particular period in time. On the contrary, the work is continuing and expanding: it also has a global outreach. Furthermore, as the complexity of compiling national accounts and the importance of issues related to globalization are increasing, there is a need to continue the substantive work carried out by the Group. Finally, a number of indicators for follow-up and review of the Agenda 2030 for Sustainable Development rely on national accounts.

IV. Proposal

13. The Steering Group on national accounts has discussed the issue and highlighted the importance of ensuring translation of key documents into Russian and having interpretation in the UNECE working languages during meetings. This will allow the active involvement

of all CES member countries in the work of the Joint Group of Experts and will facilitate the sharing of knowledge and best practices. Therefore, the Steering Group asked the UNECE Secretariat to take action for changing the status of the Joint Group of Experts into a standing body under CES with the name "Expert Group on National Accounts".

14. In October 2017, the CES Bureau supported the proposal to convert the Expert Group into a standing body. The Bureau asked the Secretariat to prepare, together with the Steering Group on national accounts, terms of reference for the standing body. In February 2018 the CES Bureau agreed on the terms of reference and asked the Secretariat to present them for adoption to the CES plenary session before submission for approval to the UNECE Executive Committee (EXCOM) and the ECE session in April 2019.

15. In December 2017 the UNECE EXCOM reviewed the biennial report of the CES Chair. According to the established template, this report contains a section on proposed changes in the subsidiary structure. In this respect, EXCOM was informed that the "CES Bureau is currently working on a proposal to establish a standing body on national accounts under CES, to be submitted to the CES plenary session in 2018". In the ensuing discussion, the proposal was supported in principle by the EU delegation on behalf of the EU member states and by other UNECE member countries.

V. Scope and impact of the proposed changes

16. The new status of the Group will not have any resource implications for the co-organizers and the member states. It will also have a resource neutral impact on the UNECE Statistical Division, and the activities will be carried out with the existing resources already devoted to servicing the Joint Group of Experts.

17. The proposed change will have a positive impact on the work. It will better reflect the status, history and mode of work of the Expert Group. The change will also allow the UNECE Secretariat to continue providing the quality services to its member States, including suitable meeting facilities, translation and interpretation, which are necessary for successful meetings.

Annex

Terms of reference for the Expert Group on National Accounts

A. Mandate

1. The Expert Group on National Accounts supports the implementation of the CES work programme related to national accounts and globalization. It will facilitate the implementation of the 2008 SNA and related international statistical standards through the promotion of best practices, contributions to the development of recommendations and methodological materials, and support to capacity building activities in national accounts. The Group should also support linking the SNA with SDGs, to complement the work on implementation of the *CES Road Map on Statistics for SDGs*.

2. The Expert Group will report to CES on UNECE activities on national accounts and globalization. Its work will be organized in coordination with Eurostat and OECD to avoid overlap and ensure synergies with related work undertaken by other international organizations. It will also consult with the Intersecretariat Working Group on National Accounts (ISWGNA) and other relevant international groups to ensure international coordination of work related to the 2008 SNA implementation.

B. Activities

3. The Expert Group will engage in the following main activities:

(a) Facilitate the exchange of experience and best practices to improve the quality and international comparability of national accounts and related economic statistics in CES member countries;

(b) Provide a forum to review the guidelines and recommendations developed by the teams of specialists, established by CES in the area of national accounts and globalization with a view of presenting them for endorsement to CES, and follow up on their implementation;

(c) Identify new emerging areas where methodological research should be undertaken and bring these issues to the attention of the CES Bureau and the ISWGNA to avoid duplication and achieve synergies. The work will be undertaken in close collaboration with Eurostat, OECD, IMF and CIS-Stat.

(d) Support the implementation of the 2008 SNA in the EECCA and SEE countries by identifying specific regional priorities and capacity development needs. Provide a forum that supports the exchange of experience and institutional cooperation between the compilers of national accounts, balance of payments and other macroeconomic statistics in the region;

(e) Support linking the SNA with SDGs, to complement the work on implementation of the *CES Road Map on Statistics for SDGs*.

C. Membership and officers

4. All United Nations member states that participate in the work of CES will be invited to the meetings of the Group. The statistical departments of international organizations that are active in the area of national accounts will also be invited to attend. In addition, other United Nations member states, researchers and representatives of academia can participate as observers, in compliance with United Nations rules and practices.

5. The Expert Group elects its officers (Chairperson and/or vice-Chairpersons) in accordance with the guidelines on procedures and practices for ECE bodies.

D. Methods of work

6. The Expert Group will hold regular annual or biennial meetings. The Group should aim to reach consensus in its work to the highest extent possible.

7. At its sessions, the Expert Group will review the achievements and problems met since the preceding meeting, propose to CES and its Bureau future activities and review the work and status of the teams of specialists in the area of national accounts and globalization.

8. The work of the Expert Group on National Accounts will be guided by a Steering Group. The Steering Group will organize the meetings of the Expert Group and will advise the Secretariat on the implementation of the CES work programme on national accounts and globalization. The Steering Group includes members representing different sub-regions of the UNECE and the main international organizations active in the area of national accounts.

9. CES will review the mandate of the Expert Group every five years.

10. The UNECE Statistical Division services the meetings of the Expert Group, providing logistical support and preparing documentation, including reports.